



Region 4 Environmental Finance Center

AT THE UNIVERSITY OF LOUISVILLE



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BACKGROUND & SUMMARY

The Louisville Environmental Finance Center (EFC) was established in 1998 to serve the eight states of EPA's Region 4 (Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, and Florida).

In 2005, the Louisville EFC continued to provide and broaden its technical assistance and training services to communities regarding contaminated land revitalization and is working with a number of different cities on brownfield redevelopment. As part of that initiative, the EFC has been planning and developing more economically efficient and environmentally friendly incentives and other measures to encourage stable and sustainable human settlements. The EFC served as co-host, participant, or organizer to several community forums aimed at providing technical assistance to those interested in sustainable development activities.

The center is also working on smart growth planning for area development agencies, municipalities, and states, focusing on the role environmental insurance can play in mitigating risks and attracting investments in reclamation. The EFC also provided input to the efforts of the Environmental Financial Advisory

REGION 4



Board (EFAB) in addressing issues of financial assurance with regard to the Resource Conservation and Recovery Act (RCRA) and addressed ways of providing greater certainty over firms' financial capacity to remediate after completing ongoing operations.

The center continued to produce its *Practice Guides* series of briefing papers for local officials, volunteer boards, and citizen committee members, and also produced a number of published articles in trade magazines and academic journals. The *Practice Guide* series is focused on aspects of land use planning and information system development for promoting urban infill, brownfield redevelopment, and other aspects of smart urban growth.

ACTIVITIES & ACCOMPLISHMENTS



Completed Projects & Initiatives

COMPLETED PRACTICE GUIDES

These guides, along with those developed in the previous years, continue to be regularly downloaded by users, according to the EFC's Web site tracking system:

- Practice Guide #9: *Contaminated Properties: History, Regulations, and Resources for Community Members**
- Practice Guide #10: *Brownfield Redevelopment: Make It Possible!**
- Practice Guide #11: *Brownfields Program Placement in Local Governments**
- Practice Guide #12: *Public Involvement: How Active Participation in Environmental Issues and Decisions Makes Economic Sense and Broadens the Knowledge Base*
- Practice Guide #13: *Do You Want Utilities with That? Avoiding the Unintended Economic Impacts of Poorly Planned Growth on the Provision of Water, Sewer, Gas, and Electric Infrastructure*

TECHNICAL ASSISTANCE AND PUBLIC OUTREACH

- EFC staff organized an address by Julia Christensen, who presented "Reusing the Big Box" on September 27, 2005, at the Urban Design Studio in downtown Louisville. Ms. Christensen has traveled throughout the United States documenting the reuse of abandoned big box stores such as Target and Wal-Mart. This event was organized and sponsored by the Center and the Planning Student Organization (PSO). More than 60 people attended this event and the diverse audience included University of Louisville students and faculty; students and faculty from Spalding University and Jefferson Community

College; Metro Louisville government officials including the planning director and staff; a representative from inspections, permits, and licensing; economic development officers; planning commissioners from Louisville and Clarksville, Indiana; commercial and real estate developers, realtors, real estate analysts and consultants; architects, artists, and a representative from Federal Reserve Bank; and neighborhood association members. The Louisville Courier-Journal ran a front page story in the Sunday, September 25, issue and the EFC also arranged for Ms. Christensen to be a featured speaker on 89.3/WKPL's State of Affairs radio program (the local NPR station).

- EFC Director Peter Meyer provided review and comment on SMARTe, the new brownfields* electronic information system being developed by the EPA Cincinnati lab and the Interstate Technology and Regulatory Council (ITRC).

In 2005, the Louisville EFC...

- ◆ Posted six new practice guides.
- ◆ Published articles in eight magazines and other venues.
- ◆ Presented at more than nine meetings/conferences with up to 8,000 participants at each.
- ◆ Attracted 425 members to listservs for local water managers and operators created in June of 2005.
- ◆ Conducted four interactive workshops attended by 40 to 50 people each.

*Leveraged project, which is not funded through core grant money.

ACTIVITIES & ACCOMPLISHMENTS

- EFC Co-Director Lauren Heberle met with the Metropolitan Housing Coalition to provide technical assistance regarding housing and environmental policies.
- The EFC commenced a series of interactive workshops that provide technical assistance meant to improve community participation in brownfields redevelopment* with the intention of developing a replicable model. The first four workshops have been completed and attendance at each workshop has ranged from 40 to 50 people. These participants have a wide range of knowledge about brownfields and experience with urban redevelopment. They are a diverse set of stakeholders, including residents, developers, city officials (elected and appointed), property owners, business owners, realtors, nonprofit organizations, social service providers, and environmental specialists.

TECHNICAL ASSISTANCE WITH PUBLIC SECTOR BROWNFIELDS INSURANCE ACQUISITION*

As part of this support task, the EFC provided technical assistance to brownfield projects attempting to use environmental insurance in Louisville, Kentucky; Kansas City, Missouri; and Kenosha, Wisconsin, in order to develop a practice guide on best approaches for municipal uses of this risk transfer tool to revitalize brownfields. Extensive telephone consultations were held with municipal agency officials and their advisors in all three cities.

The Louisville, Kentucky, project's initial prospective purchaser dropped out, but two new ones entered the picture, reflecting a major turn-around in demand

for industrial land in the metro area, and thus for the target site. One of these two had reached the final negotiations stage by September, using as its environmental counsel the same attorney with whom the EFC has dealt when advising the development agency about a possible public purchase. A purely private effort is now underway to acquire and redevelop the site. Given the level of private sector interest, the city's industrial brownfields regeneration efforts moved on to other sites, the EFC is supporting their efforts to reclaim an abandoned chemical site that has yet to be fully remediated, but which could anchor an area-wide revitalization.

The Kansas City, Missouri, project only began negotiations in May—with the master developer selected in late March, and, in the end, was unable to arrange a satisfactory agreement with that party within the 180-day negotiation period specified in the Request for Qualification (RFQ) process. Effective September 2004, the project restarted its efforts with the second choice master developer. The EFC supported this second round effort, which came to its completion before by July 2005. In the interim, assistance to the Kansas City Port Authority, which was dealing with brownfield issues, has primarily involved issues associated with liability insurance coverage for a BRAC closure for which the authority is acting as the Local Redevelopment Authority (LRA).

The Kenosha, Wisconsin, project encountered a failure on the part of its selected fixed price remediation contractor to deliver a guaranteed schedule and price for the work on which the firm bid and had to reopen the process. In September 2004, Kenosha officials completed review of the final proposal from their new remediation firm and were in the process of getting municipal council approval of all contractual matters and documents. The Potentially Responsible Party (PRP)—the property owner—continues to work closely and constructively with the city, and the EFC remains on call for assistance with that and other sites in the city. This very specific technical assistance activity terminated in Summer 2005.

*Leveraged project, which is not funded through core grant money.



ACTIVITIES & ACCOMPLISHMENTS

COMPLETED PUBLICATIONS

EFC staff continues to succeed in disseminating technical assistance and policy evaluation broadly through trade and academic mediums. Staff and associates have published articles in the following publications:

- Karen Cairns, with David Wicks, completed “Environmental Education: The Keystone for Green City Initiatives” for the Spring-Summer 2005 issue of *Sustain Magazine*.
- Peter Meyer, with Kris Wenstedt, Lauren Heberle, and Anna Alberini, completed “Public Policy to Attract Private Capital to Contaminated Sites: The Relative Values Developers Assign to Different Incentives”^{*} for K. Millar and P. Nathanail (eds) *Proceedings of the 2005 CABERNET Conference*. 2005: Laganside Development Corp., Belfast, NI.
- Peter Meyer published a commentary on the Atlantic Station brownfield regeneration project^{*} in Atlanta in the January 2005 issue of *Partners*, the newsletter of the Community Affairs Department of Federal Reserve Bank of Atlanta.
- Peter Meyer with Lin Ye and Sumdha Mandpe published “What IS Smart Growth? – Really?” in the January 2005, issue of the *Journal of Planning Literature*.
- Kris Wernstedt and Peter Meyer published “What Do Developers Want? Attracting Private Investment to Brownfields”^{*} in *Brownfield News*. IX(3):12.
- Karen Cairns published “Environmental Education: The Keystone for Green City Initiatives” in *Sustain: A Journal of Environmental and Sustainability Issues*, Issue 12, Spring/Summer 2005: pp. 44-53.

COMPLETED WORKING PAPERS

- Karen Cairns placed *Environmental Education Unit Study: Model Community Meetings and Activities to Address Citizenship Skills and Public Participation in Environmental Decision-making* on the center Web site, under “working papers.”



COMPLETED PRESENTATIONS

EFC staff and associates presented at multiple major national and international conferences and at several regional venues. These public presentations serve to disseminate technical advice, analysis, and assistance. The audiences consisted of public and private practitioners, other academic researchers, and advocacy agencies.

- For the April 2005 Urban Affairs Association Meetings (500 participants), Lauren Heberle and Peter Meyer presented “Public-Private Partnership Problems: Mismatched Public and Private Sector Perceptions of the Brownfield Issue and the Effects on Redevelopment Policy”^{*}; Carol Norton presented “Brownfields Outside the Box: Offsite Impacts and the Returns to Local Remediation Subsidies”^{*}; and Karen Cairns presented “The Long and Rocky Road: A Case Study of Public Involvement and Participatory Planning in Environmental Justice Policy Issues.”
- Peter B. Meyer presented “Public Policy to Attract Private Capital to Contaminated Sites: The Relative Values Developers Assign to Different Incentives”^{*} for the April 2005 Conference of CABERNET (Concentrated Action on Brownfields and Economic Regeneration NETwork) in Belfast, Northern Ireland. (150 participants)
- Peter B. Meyer presented “Contamination Information: Source of Stigma or Investment Stimulus?”^{*} at the 2005 Annual Conference of the Association of European Schools of Planning, Vienna, Austria, in July. (400 participants)

^{*}Leveraged project, which is not funded through core grant money.

ACTIVITIES & ACCOMPLISHMENTS



- Presentations at *Brownfields 2005** in Denver in November that involved EFC staff included (6,000 participants):
 - “Moving Brownfield Redevelopment Forward Through Smart Growth Initiatives in the United States,”* Lauren Heberle part of the “Growing Smarter” Panel with Adhir Kackar, EPA; Ferd Belz, Cherokee Denver; and Tara Penders, Baltimore, MD.
 - “Negotiating Environmental Insurance: Pitfalls and Opportunities for Public Sector Representatives,” a session involving two attorneys and two brokers as presenters, organized by Peter Meyer.
 - A session of EPA STAR research products relating to brownfields* included Peter Meyer, proposed by project officer Matt Clarke, EPA, Office of Policy, Economics and Innovation, National Center for Environmental Research.
 - A session on “The Future of Brownfield Environmental Risk Management,”* that included Peter Meyer, proposed by Susan Neuman, president of the Environmental Insurance Agency, a private brokerage firm.
 - Lauren C. Heberle and Diane Bates from The College of New Jersey presented a paper entitled “Plots against the American Dream: Framing Responses to Smart Growth Incentives” at the American Sociological Association Meetings. (8,000 participants)

- Peter B. Meyer took the lead in preparing a paper on “Preferences and Perceptions: Efficiency Losses from Public Sector Failures to Recognize Brownfield Developers’ Valuations of Alternative Incentives”* that was presented at the Southern Economics Association Meetings. (400 participants)
- Peter B. Meyer participated in writing “Attracting Private Investment to Contaminated Properties: The Value of Public Interventions,”* a paper presented to the annual meeting of the Association for Public Policy Analysis and Management. (500 participants)
- Lauren C. Heberle presented financing strategies for land conservation to the Conservation Committee of the Kentucky Sierra Club. (50 members)
- Lauren C. Heberle reviewed and discussed policy implications of the Louisville Metropolitan Housing Coalition State of Housing report at their annual meeting and press conference. (50 in audience and regional TV news coverage)

Ongoing Projects & Initiatives

ONGOING PRACTICE GUIDES

Status of *Practice Guides* developed by the EFC include:

- Practice Guide #W: *Financing Local Public Infrastructure: Determining an Effective Revenue Stream That Supports Local Projects*

Status: In process; graduate research assistant Allison Houlihan has now taken the lead on this *Practice Guide* and will move forward with assistance from Dr. Sarah Coffin.

SUPPORT FOR LAND CLEANUP AND REVITALIZATION EFFORTS*

This expanded activity is intended to involve training workshops for revitalization efforts involving all

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ACTIVITIES & ACCOMPLISHMENTS

forms of contaminated lands. This effort is not limited to the brownfields focus that the EFC has had in the past, but includes Superfund, the Resource Conservation Recovery Act (RCRA), Base Realignment and Closure (BRAC), and federal facilities, as appropriate and as needed by communities in Region 4.

- The EFC remains available for the Spartanburg County Community & Economic Development Department and the ReGenesis organization in Spartanburg, South Carolina, in support of its efforts associated with one of the 16 demonstration projects of the Environmental Justice Interagency Work Group.
- Dr. Peter Meyer, director of the EFC, continued ongoing technical assistance on area-wide approaches to brownfields*, working with brownfields and economic development offices in Louisville, Cincinnati, Indianapolis, St. Louis, Trenton (New Jersey), New York, and other metropolitan areas that consulted with him on issues.
- Dr. Meyer expanded his support for the development of regional sustainable development planning in northern Kentucky, conducting a series of economic forecasts for the region.
- Dr. Meyer continues to play a formal role in facilitating and participating in the consultations of the Environmental Financial Advisory Board's RCRA Financial Assurance Project, including follow-up reporting on the state of the environmental insurance industry and its willingness to underwrite certain forms of financial assurance and bonding.



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ORGANIZATIONAL DEVELOPMENT AND EFAB SUPPORT

This activity primarily involved EFC Director Dr. Peter Meyer:

- Continued involvement with two Environmental Financial Advisory Board (EFAB) task forces, on (1) Innovative Environmental Financing Tools, and (2) Preventing Future Non-Funded Abandoned Sites, and in initial conference calls on the financing tools task force.



- Represented the EFC at EFAB's summer meeting, during which he serves as an expert witness, and participated in the EFC Network's summer meeting, both in San Francisco in August.
- Continued a project with Dr. Thomas Lyons of the School of Urban and Public Affairs, University of Louisville. Collaborated with Dr. Lyons to examine "Entrepreneurship Opportunities and Responses in the Brownfield Redevelopment Arena—Factors Affecting Capacity to Capitalize on Opportunities in an Emerging Marketplace" through research on developers that have pursued contaminated land redevelopment under state voluntary cleanup programs in Region 4 and other states.

WEB SITE MAINTENANCE AND TRACKING

Due to continued Web site tracking, the EFC is able to determine that Web site usage first peaked in the spring of 2005, and then again during the fall, when

ACTIVITIES & ACCOMPLISHMENTS

Chart 1

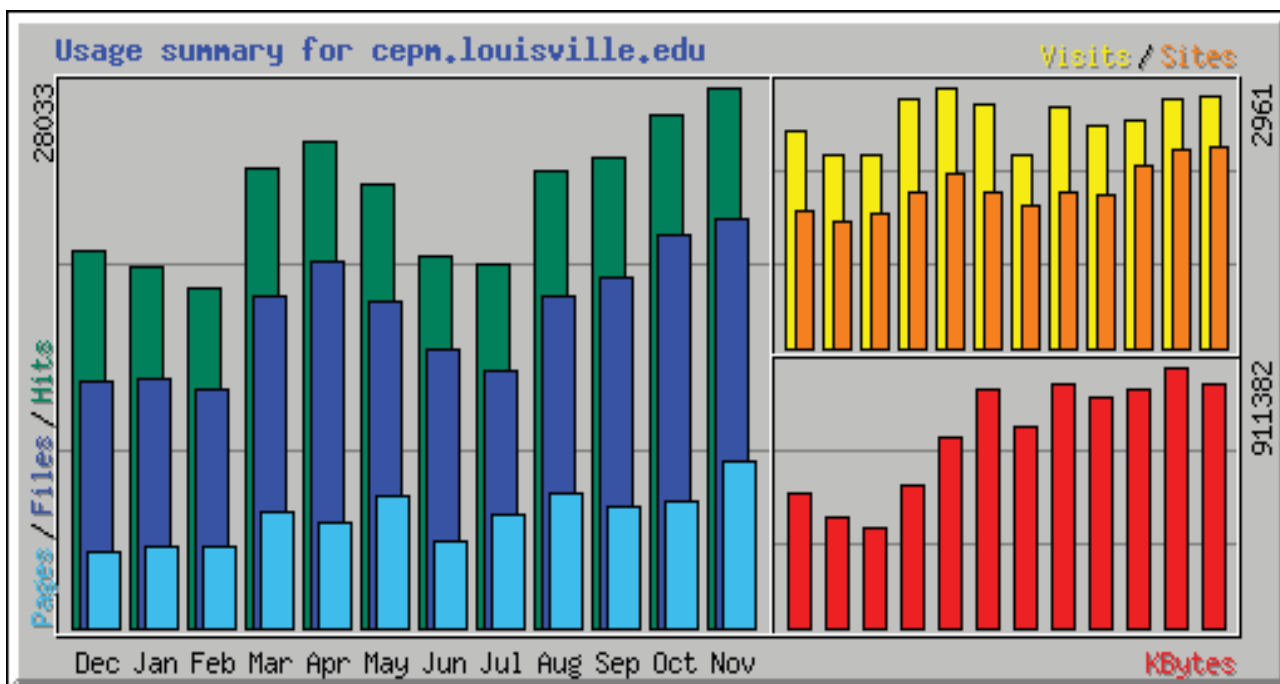


Chart 2

Summary by Month										
Month	Daily Avg				Monthly Totals					
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
Nov 2005	934	707	286	94	2286	855138	2847	8606	21236	28033
Oct 2005	857	656	211	91	2241	911382	2836	6557	20364	26580
Sep 2005	813	606	209	86	2078	835585	2589	6294	18206	24407
Aug 2005	764	553	224	81	1751	808945	2528	6960	17146	23712
Jul 2005	606	432	187	88	1778	853986	2735	5817	13395	18816
Jun 2005	641	481	149	73	1613	702935	2194	4496	14433	19245
May 2005	743	547	220	89	1765	827774	2777	6828	16979	23047
Apr 2005	839	631	181	98	1987	660372	2961	5459	18938	25184
Mar 2005	766	556	193	90	1769	501062	2811	5998	17245	23771
Feb 2005	630	443	149	78	1515	350313	2191	4178	12428	17648
Jan 2005	605	416	135	70	1439	385675	2176	4214	12922	18766
Dec 2004	628	413	129	79	1565	472612	2469	4003	12821	19481
Totals						8165779	31114	69410	196113	268690

ACTIVITIES & ACCOMPLISHMENTS

it began a steady increase (Chart 1). This might be attributed to the academic calendar. A detailed summary by month appears in Chart 2.

An evaluation of the 'Top 30' total URL hits per month reveals that the EFC's *Practice Guides*, some of the Working Papers, and the International Urban Planning and Environment Association (IUPEA) conference continue to draw people to the site. The EFC continues to work on improving the accessibility of information on the site and will be reorganizing the site to make it easier to update more frequently.

Several of the EFC staff's public speaking opportunities have been the direct result of the presence of the center Web site, and those public engagements have led to requests for technical assistance.

New Projects & Initiatives

Several new initiatives have been undertaken as Dr. Lauren Heberle, the new co-director of the EFC, took on more responsibility for staff hiring, grant writing, project development, and outreach.

NEW PRACTICE GUIDES

Staff have been developing several new *Practice Guides* during this calendar year:

- *Citizen Participation and Its Contributions to Financial Efficiency in Environmental Planning* (Karen Cairns and Susan Opp)
- *Farmland Preservation and Conservation: Conservation Tools, Financing Strategies, and Economic Benefits* (Preston Scott Lacy)
- *Learning from Sustainable Military Base Practices: Energy and Water Conservation Systems That Can Save Municipalities Money* (Erika Marelich)
- *Attracting Investors to Brownfields: Lessons for Communities About What Developers Really Value** (Peter Meyer)

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NEW TECHNICAL ASSISTANCE TO FACILITATE COMMUNITY PARTICIPATION IN BROWNFIELDS REVITALIZATION*

This new project is headed by EFC Co-Director Lauren Heberle. In collaboration with local government officials, community organizers, and Dr. Thomas Lyons from University of Louisville, Dr. Heberle headed up preparation and launch of activities to develop a model and provide technical assistance to increase community participation in brownfields redevelopment in economically distressed neighborhoods. The project will serve to develop a nationally replicable model. The area in Louisville, Kentucky, selected for consideration is the Park Hill Corridor, known for its former industrial uses, abandoned buildings, vacant lots, physically isolated neighborhoods, extreme poverty, and problems with known contamination. The first phase of this project includes a series of educational, participatory workshops for local stakeholders across the entire community to begin to build knowledge of the brownfields redevelopment process and to break down misperceptions about the area that are based on race and class. This is a three-year project expected to end in September 2008.

NEW TECHNICAL ASSISTANCE TO THE PRIVATE SECTOR

EFC staff members Carol Norton and Karen Cairns initiated and continue dialogue with and support to the director of development Midwest for YUM! Brands regarding the improvement of the company's policies on deconstruction, demolition, and handling of demolition waste. The EFC has also included the Kentucky Pollution Prevention Center in this conversation. Further meetings are expected throughout 2006, when one demolition project begins. This initiative is expected to turn into a substantial project and potential model for best practices.

ACTIVITIES & ACCOMPLISHMENTS



NEW ORGANIZATIONAL DEVELOPMENT/BUILDING CENTER NETWORKS

- EFC Co-Director Lauren Heberle initiated a report that will connect the profitability of smart growth policies and practices for brownfield redevelopment projects.* The report will include case studies of brownfield redevelopment projects that have either benefited from smart growth policies or have implemented smart growth principles in the redevelopment plan. The work here involves connecting with agencies and individuals involved in the cases and gathering key information about what connections were made between smart growth and brownfields redevelopment in each scenario.

- EFC Co-Director Lauren Heberle worked with EPA's Environmentally Responsible Redevelopment and Reuse Initiative (ER3) to develop a Memorandum of Cooperation (MOC) that would outline the Region 4 EFC's role in participating in an ER3 network of experts.
- Ms. Heberle will serve on the U.S. Regional and Local Land Revitalization Planning Team (part of Phase 4 of EPA's United States and German Bilateral Working Group on Redevelopment of Contaminated Sites)
- The center offered, and will continue to offer, its support for the Louisville Green City Partnership among Metro Louisville, Jefferson County Public Schools, and the University of Louisville. This support included developing a smart growth class for Jefferson County School Teachers Continuing Education program and continued technical assistance to the partnership taskforce.

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Outcomes

As a result of the activities and accomplishments outlined in the previous section, outcomes have included or will include the following:

- Ongoing, frequent dissemination and use of *Practice Guides*.
- Opportunities for dissemination of information through papers and journal and magazine articles.
- Opportunities for education and technical assistance ranging from presentations to training workshops.
- Active outreach and education stemming from the EFC Web site.
- Ongoing technical assistance opportunities for communities and other stakeholders.
- Influence on the ways in which a major fast food corporation engages in environmentally friendly practices.

Impacts

Specific environmental issues addressed through the EFC's 2005 activities and accomplishments include:

- Brownfields*
- Sustainable development
- Smart growth planning

*Leveraged project, which is not funded through core grant money.